

Borrowers with loans insured by FHA or securitized by Fannie Mae or Freddie Mac have strong foreclosure protections because mortgage servicers must offer specific loss mitigation options to eligible borrowers before they can begin foreclosure proceedings. These robust protections help many delinquent homeowners catch up on mortgage payments and avoid foreclosure, but they drastically shrink when a mortgage is included in a note sale.

It is not surprising that over 80 percent of homeowners whose nonperforming loans were sold by FHA ultimately lost their homes after their new servicers reached a final loan resolution. Moreover, the U.S. Government Accountability Office has found that nonperforming loans sold by FHA are more likely to face foreclosure than comparable loans that FHA keeps on its balance sheet. The majority of homeowners with nonperforming loans sold by Fannie Mae and Freddie Mac have also lost their homes after servicers reached a final resolution. The data is overwhelming: note sales do not help most borrowers remain in their homes.

Compounding matters, note sale purchasers, which again are predominately private equity firms and institutional investors, often move foreclosed properties out of the owner-occupied market. In fact, Pretium, one of the Nation's largest owners of single-family rental homes, is the third largest purchaser of Fannie Mae and Freddie Mac nonperforming loans in note sales. As a result, approximately one-third of properties foreclosed upon after a Fannie Mae or Freddie Mac nonperforming loan note sale are sold to an investor, held by the purchaser for rental, or become real estate owned—leaving fewer affordable owner-occupied homes in the market and shifting property ownership away from local control.

The Preserving Homes and Communities Act tackles these problems. First, it would require mortgage servicers to complete FHA or Federal Housing Finance Agency-required loss mitigation actions before FHA, Fannie Mae, or Freddie Mac includes a nonperforming mortgage in a note sale. Second, it would extend protections to these mortgages after they are acquired by purchasers in a note sale. Third, it would require FHA, Fannie Mae, and Freddie Mac to give local entities with public missions, including States, municipalities, and nonprofits, the first opportunity to purchase nonperforming mortgages—ahead of private equity and institutional investors. Finally, it would require purchasers that foreclose on nonperforming note sale properties to make at least 75 percent these properties available to owner-occupants or low- and moderate-income renters. In sum, our legislation seeks to keep homeowners in their homes, keep home ownership within local communities, and preserve the

supply of available and affordable homes for families.

I thank the National Consumer Law Center, on behalf of its low-income client, and the National Community Stabilization Trust for their support. I urge my colleagues to cosponsor this legislation and support its passage.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 876—COMMEMORATING THE 50TH ANNIVERSARY OF THE COASTAL ZONE MANAGEMENT ACT OF 1972, COMMONLY KNOWN AS THE “COASTAL ZONE MANAGEMENT ACT”

Mr. MARKEY submitted the following resolution; which was considered and agreed to:

S. RES. 876

Whereas the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) (commonly known, and referred to in this preamble, as the “Coastal Zone Management Act”) has empowered the coastal States and territories of the United States to effectively manage the coasts of those States and territories by balancing often competing demands, including population growth, development, industry, energy siting, public access, recreation, tourism, protection, and conservation;

Whereas the Coastal Zone Management Act establishes an effective State-Federal cooperative structure through which States and territories lead implementation and the National Oceanic and Atmospheric Administration provides funding and technical support;

Whereas 34 States and territories have established coastal zone management programs to implement the Coastal Zone Management Act;

Whereas 30 National Estuarine Research Reserves have been established for the purpose of protecting and studying estuarine systems and educating the public about the important and unique role of those systems;

Whereas the State and territory coastal zone management programs and the Estuarine Research Reserves have successfully managed the coasts of the United States by—

(1) providing critical research on coastal and estuarine environments to inform decision-making;

(2) monitoring changes in water quality and weather processes;

(3) ensuring that development in coastal areas is wise;

(4) serving as living laboratories that provide solution-oriented collaborative science;

(5) protecting and enhancing public access to coastal areas;

(6) protecting, restoring, and enhancing critical coastal habitats;

(7) educating the public about the importance of coastal and estuarine areas;

(8) collaborating with the National Oceanic and Atmospheric Administration to educate and train the next generation of coastal and estuarine managers through programs including—

(A) the Margaret A. Davidson Graduate Research Fellowship;

(B) the Coastal Management Fellowship; and

(C) the Digital Coast Fellowship;

(9) training and educating local decision-makers; and

(10) leading planning and projects to ensure the resiliency of coastal communities; and

Whereas the Coastal Zone Management Act has proven to be a robust framework that empowers States and territories to meaningfully shape the future of the coasts of those States and territories while providing flexibility to adapt to emerging challenges: Now, therefore, be it

Resolved, That the Senate—

(1) commemorates the 50th anniversary of the enactment of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.);

(2) applauds the significant achievements in balancing competing demands for development, beneficial use, and protection and conservation of the coastal zone of the United States through implementation of the Coastal Zone Management Act of 1972;

(3) commends the National Oceanic and Atmospheric Administration and the coastal States, territories, and Estuarine Research Reserves of the United States for their collaborative efforts and commitment to the effective management of the coasts of the United States for present and future generations;

(4) recognizes the critical role of the Coastal Zone Management Act of 1972 in addressing current and emerging coastal issues; and

(5) recognizes that, while the Coastal Zone Management Act of 1972 affords flexibility in implementation, modernization could provide increased authority to—

(A) ensure equitable benefits from coastal management;

(B) expand access to coastal management tools for Tribal communities in a manner that values Indigenous knowledge; and

(C) use land acquisition and stewardship, along with new tools and strategies, to address coastal community resilience.

SENATE RESOLUTION 877—DESIGNATING THE WEEK OF SEPTEMBER 18 THROUGH SEPTEMBER 24, 2022, AS “COMMUNITY SCHOOL COORDINATORS APPRECIATION WEEK”

Mr. BROWN submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 877

Whereas community schools marshal, align, and unite the assets, resources, and capacity of schools and communities for the success of students, families, and communities;

Whereas community schools are an effective, evidence-based, and equity-driven strategy for school improvement included under section 4625 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7275), as added by section 4601 of the Every Student Succeeds Act (Public Law 114-95; 129 Stat. 2029);

Whereas community schools that provide integrated student supports, well-designed and expanded learning opportunities, and active family and community engagement and that use collaborative leadership and practices have positive academic and non-academic outcomes, including—

(1) improvements in—

(A) student attendance;

(B) behavior;

(C) academic achievement;

(D) school readiness;

(E) mental and physical health;

(F) high school graduation rates; and

(G) school climate; and

(2) reduced racial and economic achievement gaps;

Whereas community schools have the potential for closing racial and economic achievement gaps, as indicated in a 2021 report;